

20 July 2017

Market Update

Optiscan remains on track with the strategic direction outlined at the 2016 AGM and in recent market updates. Recent progress includes:

- **The Carl Zeiss Meditec (CZM) clinical collaboration:**
 - The first batch of OIL-CZM Production Systems (PS), which OIL delivered in May and June 2017 are now in the hands of key opinion leading clinicians in the USA and Europe.
 - These systems are now operating in an ExVivo environment capturing images and validating application protocols to be used in the future clinical systems.
 - As this rollout progresses, it is expected that more PS systems will also be placed into other significant sites around the globe to additional key opinion leaders, prior to final regulatory approvals of the CZM-OIL collaboration.
 - CZM-OIL collaboration system launch will occur following CE mark and successful FDA regulatory approvals.
 - All regulatory approvals, CE mark and FDA are managed directly by the CZM regulatory team and progressing on schedule within CZM expectations.
 - Senior CZM project team members have been at OIL new HQ in Melbourne over the past few weeks. The next steps in the OIL technology platform, potential feature improvements and further systems applications and functionality in the OIL-CZM collaboration system were also discussed.

- **Sales to Carl Zeiss Meditec (CZM)**
 - The next batch of PS will be built during July 2017 at OIL HQ in Melbourne and will be delivered to CZM in late July 2017.
 - Once FDA approval is secured, OIL expects a global rollout of the CZM-OIL collaboration system by the CZM global sales force.

- **Sales of ViewnVivo (our second-generation Preclinical Research product):**
 - **Take to Market Strategy:**
 - Market Coverage Strategy remains the same:
 - US Distribution Partner and market coverage,
 - China distribution and market coverage,
 - Other major Asian markets,
 - European markets,
 - Australia and New Zealand markets.
 - Secure the right Distribution Partners in each major geographical region for sales and support.
 - Support our Distribution Partners with product specialist support, marketing collateral, trade show presence, application development and technical support.

USA:

- OIL has now secured a USA based Exclusive Distribution Partner for North America and Canada for the sales, service and support of ViewnVivo. The long-term agreement with Scintica Instrumentation Inc. provides exclusivity for North America and Canada and has a minimum quantity of units and annual targets.
- In May-17 OIL installed 2 ViewnVivo systems in high profile research facilities in the US for customer experiments, demonstrations, validation and specific research application testing.
- These ViewnVivo systems remain in place and our US distributor, is now working directly with the customer sites on the sales process. We expect that both these ViewnVivo installations will convert to sales over the coming months.
- OIL and Scintica Instrumentation Inc. will have a significant joint Optiscan and ViewnVivo presence at the World Molecular Imaging Congress (WMIC), which is an important industry conference and exhibition, to be held in Philadelphia 13-16 September 2017. <http://www.wmis.org/meetings/>

China:

- In late July and early August 2017, OIL will be in China for specific meetings, discussions and demonstrations with potential distributors and future customers. OIL has a ViewnVivo system in China for ongoing customer demonstrations, trade shows and trials.
- OIL are in advanced discussions with specific prospects for the first sales of ViewnVivo into China.

Other Asian Markets:

- Initial investigations are ongoing in other major Asian markets.

UK/Europe:

- Discussions continue with our USA based distribution partner, Scintica Instrumentation Inc. which also has coverage in Europe regarding the potential for European representation of ViewnVivo.

Australia & New Zealand:

- Evaluations of ViewnVivo continue with Australian research entities and universities following on from the LMA Conference (February 2017).

• Exploring new market opportunities for related Optiscan products and services:

- The next steps remain delivery on the current existing priorities:
 - The commercialisation of OIL-CZM clinical collaboration project.
 - Global distribution network in place, prospect pipeline developed, sales and installations of ViewnVivo.
- However early discussions with a China based Endoscope manufacturer have validated the interest in OIL technology for other Clinical Endoscopy applications.

• Other recent activities:

- OIL continue significant research activities into new markets and applications for our technology.

Next Update

Market Update will be soon after the next Optiscan board meeting which will take place late August 2017.

For further information:

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About Optiscan

Optiscan is an Australian company that has developed and patented miniaturised confocal microscopes, and is a global leader in the development and application of microscopic imaging and related technologies for medical and research markets.

Disclaimer

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